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ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

CoventryCares of Michigan, Inc.

NAIC Group Code	1137	(Current Period)	1137	(Prior Period)	NAIC Company Code	12193	Employer's ID Number	20-1052897
Organized under the Laws of	Michigan				State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States							
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Hospital, Medical & Dental Service or Indemnity []			
	Dental Service Corporation []		Vision Service Corporation []		Health Maintenance Organization [X]			
	Other []		Is HMO, Federally Qualified? Yes [] No [X]					
Incorporated/Organized	04/22/2004		Commenced Business		10/01/2004			
Statutory Home Office	1333 Gratiot, Ste 400				Detroit, MI, 48207			
	(Street and Number)				(City, State, Country and Zip Code)			
Main Administrative Office	1333 Gratiot, Ste 400							
	Detroit, MI, 48207				313-465-1519			
	(City, State, Country and Zip Code)				(Area Code) (Telephone Number)			
Mail Address	1333 Gratiot, Ste 400				Detroit, MI, 48207			
	(Street and Number or P.O. Box)				(City, State, Country and Zip Code)			
Primary Location of Books and Records	1333 Gratiot, Ste 400							
	Detroit, MI, 48207				313-465-1519			
	(City, State, Country and Zip Code)				(Area Code) (Telephone Number) (Extension)			
Internet Web Site Address	www.CoventryCaresMI.com							
Statutory Statement Contact	Kenyata J. Rogers				313-465-1519			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	KJRogers@cvty.com				313-465-1604			
	(E-Mail Address)				(Fax Number)			

OFFICERS

Name	Title	Name	Title
Beverly Ann Allen	President and Chief Executive Officer	Kenyata Jamilea Rogers	Chief Financial Officer
John Joseph Ruhlmann	Corporate Controller & Treasurer	Timothy E Nolan #	Executive Vice President

OTHER OFFICERS

Jonathan David Weinberg	Assistant Secretary	Melinda L. Tuozzo	Assistant Treasurer
Shirley R Smith	Secretary		

DIRECTORS OR TRUSTEES

Beverly Ann Allen	Claudia Bjerre #	Michael J. Burgoyne #	Timothy E. Nolan #
Harvey Turner #	Ernestine Romero		

State of Michigan.....
County of Wayne.....
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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Beverly Ann Allen President and Chief Executive Officer	Kenyata Jamilea Rogers Chief Financial Officer	John Joseph Ruhlmann Corporate Controller & Treasurer
Subscribed and sworn to before me this _____ day of _____,	a. Is this an original filing? Yes [X] No []	
	b. If no:	
	1. State the amendment number	_____
	2. Date filed	_____
	3. Number of pages attached	_____
Rochelle D. Jenkins, Notary Public December 25, 2013		

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	18,504,637		18,504,637	23,230,626
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$16,722,715 , Schedule E-Part 1), cash equivalents (\$7,418,552 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA).....	24,141,267		24,141,267	24,804,504
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	42,645,904	0	42,645,904	48,035,130
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	228,914		228,914	257,182
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....		0	0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....	324,153	0	324,153	539,086
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)	30,898	30,898	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$1,280,513) and other amounts receivable.....	1,340,847	0	1,340,847	55,874
25. Aggregate write-ins for other than invested assets	2,287,743	115,464	2,172,279	99,590
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	46,858,459	146,362	46,712,097	48,986,862
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	46,858,459	146,362	46,712,097	48,986,862
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Tax Refund Receivable.....	2,172,279		2,172,279	97,900
2502. Prepaid Expenses.....	109,036	109,036	0	0
2503. Vehicles.....	6,428	6,428	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	1,690
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,287,743	115,464	2,172,279	99,590

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$252,655 reinsurance ceded)	19,344,078		19,344,078	18,800,007
2. Accrued medical incentive pool and bonus amounts	781,306		781,306	1,776,194
3. Unpaid claims adjustment expenses	148,082		148,082	252,776
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act.....			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance	150,092		150,092	350,954
9. General expenses due or accrued	1,261,860		1,261,860	1,219,085
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses)).....	580,016		580,016	514,571
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	18,470		18,470	16,094
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	174,748		174,748	171,931
16. Derivatives.....			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and (\$ certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies.....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	22,458,652	0	22,458,652	23,101,612
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	10	10
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	16,600,990	16,600,990
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	7,652,445	9,284,250
32. Less treasury stock, at cost: 32.1 .....shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 .....shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	24,253,445	25,885,250
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	46,712,097	48,986,862
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	535,706	581,933
2. Net premium income (including \$0 non-health premium income).....	XXX	173,059,035	185,112,980
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	110,430	132,967
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	173,169,465	185,245,947
Hospital and Medical:			
9. Hospital/medical benefits		109,197,097	112,348,528
10. Other professional services		6,819,642	5,785,773
11. Outside referrals			0
12. Emergency room and out-of-area		10,759,239	11,133,092
13. Prescription drugs		21,057,584	21,072,949
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		680,414	1,838,347
16. Subtotal (Lines 9 to 15)	0	148,513,976	152,178,689
Less:			
17. Net reinsurance recoveries		156,439	(85,944)
18. Total hospital and medical (Lines 16 minus 17)	0	148,357,537	152,264,633
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$0 cost containment expenses.....		1,555,822	2,152,357
21. General administrative expenses.....		14,682,410	24,748,902
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	164,595,769	179,165,892
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	8,573,696	6,080,055
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		716,782	733,857
26. Net realized capital gains (losses) less capital gains tax of \$196,486		364,902	92,985
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,081,684	826,842
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	9,655,380	6,906,897
31. Federal and foreign income taxes incurred	XXX	2,532,568	2,356,895
32. Net income (loss) (Lines 30 minus 31)	XXX	7,122,812	4,550,002
DETAILS OF WRITE-INS			
0601.	XXX		0
0602. Other Revenue.....	XXX	110,430	132,967
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	110,430	132,967
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			0
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	25,885,250	24,588,879
34. Net income or (loss) from Line 32	7,122,812	4,550,002
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(228,740)	(94,955)
39. Change in nonadmitted assets	(38,964)	341,324
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	13,087	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders	(8,500,000)	(3,500,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(1,631,805)	1,296,371
49. Capital and surplus end of reporting year (Line 33 plus 48)	24,253,445	25,885,250
DETAILS OF WRITE-INS		
4701.		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

Cash from Operations		1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance		172,858,173	185,313,842
2. Net investment income		935,755	856,945
3. Miscellaneous income		(1,108,939)	1,906,401
4. Total (Lines 1 through 3)		172,684,989	188,077,188
5. Benefit and loss related payments		148,873,958	150,135,002
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
7. Commissions, expenses paid and aggregate write-ins for deductions		16,300,151	26,689,822
8. Dividends paid to policyholders			0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		2,663,605	1,887,639
10. Total (Lines 5 through 9)		167,837,714	178,712,463
11. Net cash from operations (Line 4 minus Line 10)		4,847,275	9,364,725
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds		15,191,295	6,712,730
12.2 Stocks		0	0
12.3 Mortgage loans		0	0
12.4 Real estate		0	0
12.5 Other invested assets		0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		0	0
12.7 Miscellaneous proceeds		0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)		15,191,295	6,712,730
13. Cost of investments acquired (long-term only):			
13.1 Bonds		10,094,622	8,329,864
13.2 Stocks		0	0
13.3 Mortgage loans		0	0
13.4 Real estate		0	0
13.5 Other invested assets		0	0
13.6 Miscellaneous applications		1	0
13.7 Total investments acquired (Lines 13.1 to 13.6)		10,094,623	8,329,864
14. Net increase (decrease) in contract loans and premium notes		0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		5,096,672	(1,617,134)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes		0	0
16.2 Capital and paid in surplus, less treasury stock		0	0
16.3 Borrowed funds		0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities			0
16.5 Dividends to stockholders		8,500,000	3,500,000
16.6 Other cash provided (applied)		(2,107,179)	529,561
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		(10,607,179)	(2,970,439)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)		(663,232)	4,777,152
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year		24,804,498	20,027,346
19.2 End of year (Line 18 plus Line 19.1)		24,141,266	24,804,498

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE CoventryCares of Michigan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	173,059,035	546,095	0	0	0	0	0	172,512,940	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	110,430	0	0	0	0	0	0	110,430	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	173,169,465	546,095	0	0	0	0	0	172,623,370	0	0
8. Hospital/medical benefits	109,197,097	242,630						108,954,467		XXX
9. Other professional services	6,819,642	4,450						6,815,192		XXX
10. Outside referrals	0							0		XXX
11. Emergency room and out-of-area	10,759,239	7,021						10,752,218		XXX
12. Prescription drugs	21,057,584	56,262						21,001,322		XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	680,414	0						680,414		XXX
15. Subtotal (Lines 8 to 14)	148,513,976	310,363	0	0	0	0	0	148,203,613	0	XXX
16. Net reinsurance recoveries	156,439	1,672						154,767		XXX
17. Total hospital and medical (Lines 15 minus 16)	148,357,537	308,691	0	0	0	0	0	148,048,846	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses.....	1,555,822	5,003						1,550,819		
20. General administrative expenses	14,682,409	45,381						14,637,028		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	164,595,768	359,075	0	0	0	0	0	164,236,693	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	8,573,697	187,020	0	0	0	0	0	8,386,677	0	0
DETAILS OF WRITE-INS										
0501. Other Revenue.....	110,430							110,430		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	110,430	0	0	0	0	0	0	110,430	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	553,580		7,485	546,095
2. Medicare Supplement .....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....	173,078,041		565,101	172,512,940
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	173,631,621	.0	572,586	173,059,035
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	173,631,621	0	572,586	173,059,035

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	147,321,193	288,527						147,032,666		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	188,142	0						188,142		
1.4 Net	147,133,051	288,527	0	0	0	0	0	146,844,524	0	0
2. Paid medical incentive pools and bonuses	1,675,303							1,675,303		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	19,596,734	33,291	0	0	0	0	0	19,563,443	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	252,655	1,672	0	0	0	0	0	250,983	0	0
3.4 Net	19,344,079	31,619	0	0	0	0	0	19,312,460	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	781,306							781,306		
6. Net healthcare receivables (a).....	0	0	0	0	0	0	0	0	0	0
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	19,084,365	11,455	0	0	0	0	0	19,072,910	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	284,358	0	0	0	0	0	0	284,358	0	0
8.4 Net	18,800,007	11,455	0	0	0	0	0	18,788,552	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	1,776,194	0	0	0	0	0	0	1,776,194	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	147,833,562	310,363	0	0	0	0	0	147,523,199	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	156,439	1,672	0	0	0	0	0	154,767	0	0
12.4 Net	147,677,123	308,691	0	0	0	0	0	147,368,432	0	0
13. Incurred medical incentive pools and bonuses	680,415	0	0	0	0	0	0	680,415	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	7,164,811	17,450						7,147,361		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	7,164,811	17,450	0	0	0	0	0	7,147,361	0	0
2. Incurred but Unreported:										
2.1. Direct	12,431,923	15,841						12,416,082		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	252,655	1,672						250,983		
2.4. Net	12,179,268	14,169	0	0	0	0	0	12,165,099	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	19,596,734	33,291	0	0	0	0	0	19,563,443	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	252,655	1,672	0	0	0	0	0	250,983	0	0
4.4. Net	19,344,079	31,619	0	0	0	0	0	19,312,460	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	50,574	237,953	221	31,398	50,795	11,455
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....	14,667,332	132,177,192	301,326	19,011,133	14,968,658	18,788,552
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	14,717,906	132,415,145	301,547	19,042,531	15,019,453	18,800,007
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts	408,455	1,266,848	0	781,306	408,455	1,776,194
13. Totals (Lines 9-10+11+12)	15,126,361	133,681,993	301,547	19,823,837	15,427,908	20,576,201

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior .....	.0	.0	.0	.0	
2. 2008 .....	.0	.0	.0	.0	
3. 2009	XXX	.0	.0	.0	
4. 2010	XXX	XXX	.0	.3	.3
5. 2011	XXX	XXX	XXX	.137	.187
6. 2012	XXX	XXX	XXX	XXX	240

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008					
3. 2009	XXX				
4. 2010	XXX	XXX		.3	.3
5. 2011	XXX	XXX	XXX	.148	.187
6. 2012	XXX	XXX	XXX	XXX	271

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2008.....	.0	.0		.0	.0	.0			.0	.0
2. 2009.....	.0	.0		.0	.0	.0			.0	.0
3. 2010.....	.24	.3		.0	.3	12.5			.3	12.5
4. 2011.....	.364	.187		.0	.187	51.4			.187	51.4
5. 2012	546	240	0	0.0	240	44.0	31	0	271	49.6

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	404,240	403,942	403,764	403,681	403,648
2. 2008.....	139,127	153,228	153,256	153,158	153,132
3. 2009.....	XXX	147,122	163,100	163,529	163,440
4. 2010.....	XXX	XXX	140,690	154,685	154,685
5. 2011.....	XXX	XXX	XXX	136,465	151,549
6. 2012.....	XXX	XXX	XXX	XXX	133,598

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	404,970	403,976	403,764	403,681	403,648
2. 2008.....	155,452	153,328	153,272	153,158	153,132
3. 2009.....	XXX	164,639	163,383	163,622	163,440
4. 2010.....	XXX	XXX	159,558	155,705	154,685
5. 2011.....	XXX	XXX	XXX	155,919	152,037
6. 2012.....	XXX	XXX	XXX	XXX	153,391

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2008.....	177,558	153,132	2,300	1.5	155,432	87.5			155,432	87.5
2. 2009.....	188,810	163,440	2,613	1.6	166,053	87.9			166,053	87.9
3. 2010.....	187,616	154,685	2,444	1.6	157,129	83.8			157,129	83.8
4. 2011.....	184,749	151,549	2,149	1.4	153,698	83.2	302		154,000	83.4
5. 2012.....	172,513	133,598	1,409	1.1	135,007	78.3	19,793	148	154,948	89.8

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE CoventryCares of Michigan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	404,240	403,942	403,764	403,681	403,648
2. 2008.....	139,127	153,228	153,256	153,158	153,132
3. 2009.....	XXX	147,122	163,100	163,529	163,440
4. 2010.....	XXX	XXX	140,690	154,688	154,688
5. 2011.....	XXX	XXX	XXX	136,602	151,736
6. 2012.....	XXX	XXX	XXX	XXX	133,838

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	404,970	403,976	403,764	403,681	403,648
2. 2008.....	155,452	153,328	153,272	153,158	153,132
3. 2009.....	XXX	164,639	163,383	163,622	163,440
4. 2010.....	XXX	XXX	159,558	155,708	154,688
5. 2011.....	XXX	XXX	XXX	156,067	152,224
6. 2012.....	XXX	XXX	XXX	XXX	153,662

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2008.....	177,558	153,132	2,300	1.5	155,432	87.5	.0	.0	155,432	87.5
2. 2009.....	188,810	163,440	2,613	1.6	166,053	87.9	.0	.0	166,053	87.9
3. 2010.....	187,640	154,688	2,444	1.6	157,132	83.7	.0	.0	157,132	83.7
4. 2011.....	185,113	151,736	2,149	1.4	153,885	83.1	302	.0	154,187	83.3
5. 2012.....	173,059	133,838	1,409	1.1	135,247	78.2	19,824	148	155,219	89.7

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0		.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0		.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....		35,258	378,070		413,328
2. Salaries, wages and other benefits.....		909,216	7,953,984		8,863,200
3. Commissions (less \$ceded plus \$assumed).....					0
4. Legal fees and expenses.....		6,170	22,401		28,571
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....		83,150	296,624		379,774
7. Traveling expenses.....		21,596	151,123		172,719
8. Marketing and advertising.....		2,791	567,143		569,934
9. Postage, express and telephone.....		46,423	207,888		254,311
10. Printing and office supplies.....		55,384	596,823		652,207
11. Occupancy, depreciation and amortization.....		0	19,667		19,667
12. Equipment.....		2,204	25,317		27,521
13. Cost or depreciation of EDP equipment and software.....		167,476	525,468		692,944
14. Outsourced services including EDP, claims, and other services.....		0	567,742		567,742
15. Boards, bureaus and association fees.....		0	68,497		68,497
16. Insurance, except on real estate.....		11,900	37,336		49,236
17. Collection and bank service charges.....					0
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....		4,995	(1,440,261)		(1,435,266)
23.2 State premium taxes.....		0	3,911,844		3,911,844
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....		61,995	597,625		659,620
23.5 Other (excluding federal income and real estate taxes).....		0	5,131		5,131
24. Investment expenses not included elsewhere.....		0	82	33,028	33,110
25. Aggregate write-ins for expenses.....	0	147,264	189,906	0	337,170
26. Total expenses incurred (Lines 1 to 25).....	0	1,555,822	14,682,410	33,028	(a) .....16,271,260
27. Less expenses unpaid December 31, current year		148,082	1,261,860		1,409,942
28. Add expenses unpaid December 31, prior year	0	252,776	1,219,085	0	1,471,861
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	1,660,516	14,639,635	33,028	16,333,179
DETAILS OF WRITE-INS					
2501. Other Administrative Expenses.....		147,264	189,906		337,170
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	0	147,264	189,906	0	337,170

(a) Includes management fees of \$6,051,667 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....16,358	.....7,893
1.1	Bonds exempt from U.S. tax	(a).....0	.....0
1.2	Other bonds (unaffiliated)	(a).....761,099	.....741,193
1.3	Bonds of affiliates	(a).....0	.....0
2.1	Preferred stocks (unaffiliated)	(b).....0	.....0
2.11	Preferred stocks of affiliates	(b).....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans	(c).....0	.....0
4.	Real estate	(d).....0	.....0
5.	Contract loans .....	.....0	.....0
6.	Cash, cash equivalents and short-term investments	(e).....621	.....724
7.	Derivative instruments	(f).....0	.....0
8.	Other invested assets .....	.....0	.....0
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	778,078	749,810
11.	Investment expenses		(g).....33,028
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....0
13.	Interest expense		(h).....0
14.	Depreciation on real estate and other invested assets		(i).....0
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....33,028
17.	Net investment income (Line 10 minus Line 16)		716,782
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$3,085 accrual of discount less \$193,790 amortization of premium and less \$43,878 paid for accrued interest on purchases.
(b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
(d) Includes \$0 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
(e) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
(f) Includes \$0 accrual of discount less \$0 amortization of premium.
(g) Includes \$0 investment expenses and \$33,028 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
(i) Includes \$0 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	46,629	0	46,629	0	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	514,759	0	514,759	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	561,388	0	561,388	0	0
DETAILS OF WRITE-INS						
0901.	.....			0		
0902.	.....			0		
0903.	.....			0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	720	720
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	30,898	46,009	15,111
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	115,464	60,670	(54,794)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	146,362	107,399	(38,963)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	146,362	107,399	(38,963)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.		0	0
2502. Prepaid Expenses.....	109,036	49,686	(59,350)
2503. Auto.....	6,428	10,984	4,556
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	115,464	60,670	(54,794)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	46,350	45,012	45,051	43,883	42,831	535,706
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	46,350	45,012	45,051	43,883	42,831	535,706
DETAILS OF WRITE-INS						
0601. ....	.0					
0602. ....	.0					
0603. ....	.0					
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of CoventryCares of Michigan (“the Company”) have been prepared in accordance with the accounting practices prescribed or permitted by the Michigan Office of Financial and Insurance Regulation (OFIR). Such practices differ in certain respects from generally accepted accounting principles in determining financial position and results of operations. Certain assets designated as non-admitted (e.g. receivables greater than 90 days old, prepaid assets, certain amounts of property and equipment, notes receivable and deferred taxes) are excluded from the balance sheet by a direct charge to surplus. Bonds generally are stated at amortized cost, except for bonds that are rated by the NAIC as class 3-6 which are reported at the lower of amortized cost or fair market value.

OFIR recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Michigan insurance laws. The National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Michigan. The State of Michigan has adopted prescribed accounting practices that differ from those found in NAIC SAP, in that provider advances are not allowed, and thus, must be non-admitted. The Company, however, did not have any amounts due from providers for advances for the years ended December 31, 2012 and 2011.

Below is a reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by OFIR as of December 31, 2012 and 2011:

	State of Domicile	2012	2011
<u>NET INCOME</u>			
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	MI	\$ 7,122,812	\$ 4,550,002
(4) NAIC SAP (1-2-3=4)	MI	\$ 7,122,812	\$ 4,550,002
<u>SURPLUS</u>			
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	MI	\$ 24,253,445	\$ 25,885,250
(8) NAIC SAP (5-6-7=8)	MI	\$ 24,253,445	\$ 25,885,250

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the interest method, except for bonds that are rated 3 or below by the NAIC, which are reported at the lower of amortized cost or fair value. Amortization is calculated using the scientific constant yield to worst method.
3. The Company has no common stocks.
4. The Company has no preferred stocks.
5. The Company has no mortgage loans on real estate.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The Company applies the retrospective method of valuing loan-backed and asset-backed securities.
7. The Company has no investments in subsidiaries, controlled and affiliated companies.

NOTES TO FINANCIAL STATEMENTS

8. The Company has no investments in joint ventures, partnerships and limited liability companies.
9. The Companies has no derivatives.
10. Premium deficiency calculations do not utilize anticipated investment income as a factor.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessary based on assumptions and estimates and, while management believes that amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

There were no material changes in accounting principles and/or correction of errors.

3. Business Combinations and Goodwill

- A. Statutory Purchased Method
NONE
- B. Statutory Merger Method –
NONE
- C. Assumption Reinsurance
NONE
- D. Impairment Losses
NONE

4. Discontinued Operations

NONE

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

NONE

B. Debt Restructuring

NONE

C. Reverse Mortgages

NONE

D. Loan-Backed Securities

1. The carrying value for structured securities has been determined in accordance with the guidelines of the NAIC. Fair value is determined using a pricing hierarchy starting with a widely accepted pricing vendor, followed by external broker/dealers, Bloomberg analytic modeling and a benchmark to index model.

The Company uses a proprietary model for loss assumptions and widely accepted models for prepayment assumptions in valuing mortgage-backed and asset-backed securities with inputs from major third party data providers. The model combines the effects of interest rates, volatility, and pre-payment speeds based on various scenarios and simulations (Monte Carlo) with credit loss analysis and resulting effective analytics (spreads, duration, convexity) and cash flows on a monthly basis. Credit sensitive cash flows are calculated using a proprietary model which estimates future loan defaults in terms of timing and severity. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.

2. Not applicable as there was no OTTI recognized in 2012 and 2011 because the Company did not expect to hold the security to recovery (i.e.: there were no write-downs to projected cash flows)
3. Not applicable as there was no OTTI recognized in 2012 and 2011 because the Company did not expect to hold the security to recovery (i.e.: there were no write-downs to projected cash flows)

NOTES TO FINANCIAL STATEMENTS

4. At December 31, 2012 and 2011, there are no structured securities that are in an unrealized loss position. Therefore, the table showing unrealized losses on structured securities that are greater and less than a year has not been provided.
5. There are a number of factors that are considered in determining if there is an other-than-temporary impairment on an investment, including but not limited to, debt burden, credit ratings, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.

All investments in an unrealized loss position are evaluated for other-than-temporary impairment based on the severity level and length of time the investment has been in an unrealized loss position. As the magnitude of the loss increases so does the degree of analysis required in determining if an other-than-temporary loss exists.

E. Repurchase Agreements and/or Securities Lending Transactions

NONE

F. Real Estate

NONE

G. Investments in low-income housing credits

NONE

6. Joint Ventures, Partnerships and Limited Liability Companies

NONE

7. Investment Income

A. The Company had no investment income accrued with amounts over 90 days old.

B. NONE

8. Derivative Instruments

NONE

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1

	12/31/2012		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	364,698	-	364,698
(b) Statutory Valuation Allowance Adjustments			-
(c) Adjusted Gross Deferred Tax Assets	364,698	-	364,698
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset	364,698	-	364,698
(f) Deferred Tax Liabilities	40,545	-	40,545
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)	324,153	-	324,153

	12/31/2011		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	563,711	-	563,711
(b) Statutory Valuation Allowance Adjustments			-
(c) Adjusted Gross Deferred Tax Assets	563,711	-	563,711
(d) Deferred Tax Assets Nonadmitted	13,087	-	13,087
(e) Subtotal Net Admitted Deferred Tax Asset	550,624	-	550,624
(f) Deferred Tax Liabilities	10,818	-	10,818
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)	539,806	-	539,806

NOTES TO FINANCIAL STATEMENTS

	Change		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	(199,013)	-	(199,013)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets	(199,013)	-	(199,013)
(d) Deferred Tax Assets Nonadmitted	(13,087)	-	(13,087)
(e) Subtotal Net Admitted Deferred Tax Asset	(185,926)	-	(185,926)
(f) Deferred Tax Liabilities	29,727	-	29,727
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)	(215,653)	-	(215,653)

2	12/31/2012		
Admission Calculation Components SSAP No. 101	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks			-
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)2 Below)	324,153	-	324,153
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	N/A	N/A	324,153
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	N/A	N/A	3,122,581
(c) Adjusted gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	40,545	-	40,545
(d) Deferred Tax Assets Admitted as a result of application of SSAP No. 101. Total	364,698	-	364,698

	12/31/2011		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks			-
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)2 Below)	539,806	-	539,806
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	N/A	N/A	539,806
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	N/A	N/A	2,392,142
(c) Adjusted gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	10,818	-	10,818
(d) Deferred Tax Assets Admitted as a result of application of SSAP No. 101. Total	550,624	-	550,624

	Change		
	Ordinary	Capital	Total
((a)Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks			-
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)2 Below)	(215,653)	-	(215,653)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	N/A	N/A	(215,653)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	N/A	N/A	730,438
(c) Adjusted gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	29,727	-	29,727
(d) Deferred Tax Assets Admitted as a result of application of SSAP No. 101. Total	(185,926)	-	(185,926)

3	2012	2011
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	10%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period and Threshold Limitation In 2(b)2 Above.	20,817,205	23,921,424

NOTES TO FINANCIAL STATEMENTS

4

Impact of tax planning strategies

(a) Adjusted gross DTAs (% of Total Adjusted Gross DTAs)
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)

12/31/2012		
Ordinary Percent	Capital Percent	Total
0.00%	0.00%	0.00%
0.00%	0.00%	0.00%
12/31/2011		
Ordinary Percent	Capital Percent	Total
0.00%	0.00%	0.00%
0.00%	0.00%	0.00%

(a) Adjusted gross DTAs (% of Total Adjusted Gross DTAs)
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)

Change		
Ordinary Percent	Capital Percent	Total
0.00%	0.00%	0.00%
0.00%	0.00%	0.00%

(a) Adjusted gross DTAs (% of Total Adjusted Gross DTAs)
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)
(c) Does The Company's tax planning strategies include the use of reinsurance?

No

B. Temporary differences for which DTLs have not been established:

None

C. Current tax incurred consists of the following major components:

(1) Current income taxes

	2012	2011	Change
(a) Federal	2,546,067	2,068,711	477,356
(b) Foreign	-	-	-
(c) Subtotal	2,546,067	2,068,711	477,356
(d) Federal income tax on net capital gains	196,486	-	196,486
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	(13,499)	264,077	(277,575)
(g) Federal and foreign income taxes incurred	2,729,054	2,332,788	396,266

The company does not expect a significant increase in tax contingencies within the 12 month period following the balance sheet date.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2) Deferred tax assets

(a) Ordinary

(1) Discounting of unpaid losses

	2012	2011	Change
(1) Discounting of unpaid losses	119,662	130,949	(11,287)
(2) Unearned premium reserve	10,506	24,567	(14,061)
(3) Policyholder reserves			-
(4) Investments			-
(5) Deferred acquisition costs			-
(6) Policyholder dividends accrual			-
(7) Fixed Assets	9,413	-	9,413
(8) Compensation and benefits accrual	97,509	74,610	22,899
(9) Pension accrual			-
(10) Receivable - nonadmitted	51,227	37,338	13,889
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward			-
(13) Other (including items <5% of total ordinary tax assets)	76,381	296,248	(219,867)
(99) subtotal	364,698	563,711	(199,013)
(b) Statutory valuation adjustment	-	-	-
(c) Nonadmitted ordinary DTAs (-)	-	(13,087)	13,087
(d) Admitted ordinary DTAs	364,698	550,623	(185,925)

NOTES TO FINANCIAL STATEMENTS

(e) Capital			
(1) Investments	-	-	-
(2) Net capital loss carryforward			-
(3) Real estate			-
(4) Other (including items <5% of total capital tax assets)			-
(99) subtotal	-	-	-
(f) Statutory valuation adjustment - capital (-)			
(g) Nonadmitted capital DTAs (-)	-	-	-
(h) Admitted capital DTAs	-	-	-
(i) Admitted DTAs	364,698	550,623	(185,925)
(3) DTLs Resulting from Book/Tax Differences In			
(a) Ordinary			
(1) Investments	-	-	-
(2) Fixed assets		(556)	556
(3) Deferred and uncollected premium			
(4) Policyholder reserves			
(5) Other (including items<5% of total ordinary tax liabilities)	(40,545)	(10,262)	(30,283)
(99) subtotal	(40,545)	(10,818)	(29,727)
(b) Capital			
(1) Investments		-	-
(2) Real estate			
(3) Other (including items <5% of total capital tax assets)			
(99) Subtotal	-	-	-
(c) DTLs			
	(40,545)	(10,818)	(29,727)
(4)Net deferred tax assets/liabilities	324,153	539,805	(215,654)
The change in the net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted DTAs as the change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):			
	2012	2011	Change
Total deferred tax asset	364,698	550,623	(185,925)
Total deferred tax liabilities	(40,545)	(10,818)	(29,727)
Net deferred tax assets/liabilities	324,153	539,805	(215,652)
Statutory valuation allowance adjustment	-	-	-
(see explanation below)			-
Net deferred tax assets/liabilities after SVA	324,153	539,805	(215,652)
Tax effect of unrealized gains/(losses)	-	-	-
statutory valuation allowance adjustment allocated to unrealized (+)	-	-	-
Change in net deferred income tax [(charge)/benefit]	324,153	539,805	(215,652)

*Statutory valuation allowance disclosure

N/A

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Tax Effect	Effective Tax Rate
Income Before Taxes	3,448,153	35.00%
Permanent items	(486,632)	-4.94%
Stat to GAAP differences	(13,499)	-0.14%
Change in Temporary Items	(246,820)	-2.51%
Other, Including Prior Year True-Up	27,852	0.28%
Total	2,729,054	27.70%

NOTES TO FINANCIAL STATEMENTS

E. Carryforwards, recoverable taxes and IRC Section 6603 deposits:

At December 31, 2012, the Company had net operating loss carryforwards expiring through the year of 2032 of:	\$
	-
At December 31, 2012, the Company had capital loss carryforwards expiring through the year of 2017 of:	\$
	-
At December 31, 2012, the Company had an AMT credit carryforward, which does not expire of:	\$
	-

The following is income tax expense for 2010, 2011, and 2012 that is available for recoupment in the event of future net losses:

	Year	Ordinary	Capital	Total
	2010	1,306,954	-	1,306,954
	2011	2,332,789	-	2,332,789
	2012	2,532,568	196,486	2,729,054
			196,486	6,368,797
	Total	6,172,311		
Deposits admitted under IRC Section 6603		None		

F. The Company's federal income tax return is consolidated with the following entities:

The Company is included in a consolidated federal income tax return with its parent company, Coventry Health Care, Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A-C. The Company has management service agreements with its Parent company and certain affiliates, in which the Parent and affiliates provide information technology, service center and general administrative support services.

The Company paid an ordinary cash dividend to the parent company, Coventry Health Care, Inc. on June 8, 2012 totaling \$8,500,000. On June 10, 2011, the Company paid an ordinary cash dividend of \$2,000,000 and an extraordinary cash dividend of \$1,500,000 to Coventry Health Care, Inc.

D. Amounts due to Coventry Health Care, Inc. as of December 31, 2012 and 2011 ARE \$174,748 and \$171,931, respectively.

The terms of settlement require that these amounts are settled within 30 days.

E. NONE

F. The Company receives certain management services from various affiliated companies. These management fees are reflected as general and administrative expenses. Refer to Schedule Y, Part 2 for the amounts of any significant transactions with affiliates.

The Parent Company provides certain management, consulting, computer and administrative services to the Company. The Company also reimburses the Parent for certain expenses paid by the Parent on behalf of the Company. The management fee to the Parent is based on monthly membership and the current year expense is included in Schedule Y, Part 2.

The Company carries reinsurance coverage for instances in which medical costs for an individual member exceed certain limitations. This coverage is currently through Coventry Health and Life Insurance Company (CH&L), an affiliate of Coventry. The Company is contingently liable for its reinsured losses to the extent that the reinsurance company cannot meet its obligations under the reinsurance contracts.

G. On August 19, 2012, the Company's parent, Coventry Health Care, Inc. ("Coventry"), Aetna Inc. ("Aetna") and Jaguar Merger Subsidiary, Inc. ("Merger Sub") entered into an Agreement and Plan of Merger (as amended, and as may be further amended), pursuant to which, subject to the satisfaction or waiver of certain conditions, Merger Sub will be merged with and into Coventry, with Coventry surviving the merger as a wholly-owned subsidiary of Aetna (the "Merger").

The consummation of the Merger is subject to customary closing conditions, including, among others, the adoption of the Merger Agreement by Coventry's stockholders, the absence of certain legal impediments to the consummation of the Merger, the receipt of specified governmental consents and approvals, the early termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, and, subject to certain exceptions, the accuracy of representations and warranties made by the Coventry and Aetna, respectively, and compliance by the Coventry and Aetna with their respective obligations under the Merger Agreement. The Merger is not expected to close until mid-2013.

H. – L. NONE

11. Debt

NONE

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

A. The Company does not sponsor a Defined Benefit Plan.

B. The Company's employees are eligible to participate in a 401(k) defined contribution plan sponsored by the Parent. Employees become eligible to participate in the plan upon their first day of employment. Subject to certain limitations, employees may contribute 75% of their salary to the plan which the Company matches at a rate of 100% up to the first 3% and 50% of the next 3% of each employee's contributions to a maximum of 4.5% of their total salary. The Company contributed \$160,312 to the 401(k) plan in 2012 and \$170,263 in 2011.

C. The Company does not offer multiple-employer plans.

D. The Company does not offer consolidated / holding company plans.

E. The Company does not have an obligation for any post-employment benefits or compensated absences.

F. The Company does not have any impact on any postretirement benefits related to the Medicare Moderation Act.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

NOTES TO FINANCIAL STATEMENTS

- 1) The Company has 1,000 shares of common capital stock authorized, issued and outstanding by the Company with a par value of \$0.01 per share.
- 2) The Company has no preferred stock authorized or outstanding.
- 3) Dividends on the Company's common capital stock are paid as declared by its Board of Directors, from earned surplus of the Company, not including surplus arising from the sale of stock. The commissioner of the State of Michigan Office of Financial and Insurance Regulation may limit or disallow the payment of ordinary or extraordinary dividends. Dividends shall be declared or paid only from earned surplus, unless the commissioner approves the dividend prior to payment. Additionally, extraordinary dividends, or any other extraordinary distribution, shall not be paid until 30 days after the commissioner has received notice of the declaration and has not disapproved or has approved the payment. An extraordinary dividend or distribution is defined as any dividend or distribution of cash or other property whose fair market value together with that of other dividends or distributions made within the preceding 12 months exceeds the greater of 10% of the insurer's surplus as of December 31 of the immediately preceding year, or net income, not including realized capital gains, for the 12-month period ending December 31 of the immediately preceding year.
- 4) The Company paid an ordinary cash dividend to the parent company, Coventry Health Care, Inc. on June 8, 2012 totaling \$8,500,000. On June 10, 2011, the Company paid an ordinary cash dividend of \$2,000,000 and an extraordinary cash dividend of \$1,500,000 to Coventry Health Care, Inc.
- 5) Within the limitations of 3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to the stockholder.
- 6) \$1,000,000 of investments held are restricted pursuant to State of Michigan requirements.
- 7) The Company does not have any advances to surplus not repaid.
- 8) There are no amounts of the Company's common capital stock being held for special purposes.
- 9) The Company has no special surplus funds.
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gain and losses is \$386,778 and \$381,204, respectively, for December 31 2012 and 2011.
- 11) The Company has no surplus debentures or similar obligations outstanding.
- 12) The Company has no prior quasi-reorganizations.
- 13) The Company has no quasi-reorganizations.
14. Contingencies
 - A. Contingent Commitments

NONE
 - B. Assessments
 1. The Company has not received notification regarding any Michigan Health Insurance Pool for the insolvency of an insurance company.
 2. NONE
 - C. Gain Contingencies

NONE
 - D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

NONE
 - E. All Other Contingencies

The Company is involved in various legal actions arising in the normal course of business. After review, including consultation with legal counsel, management believes any ultimate liability that could arise from these actions would not materially affect the Company's financial position. The Company has no assets that it considers to be impaired.

The Company is contingently liable for certain costs in the event that a capitated provider is unable to meet its contractual obligations. The Company has committed no additional reserves to cover any material contingent liabilities.

NOTES TO FINANCIAL STATEMENTS

15. Leases

A. Lessee Operating Lease

The Company leases its office facilities and certain office equipment under non-cancelable operating leases expiring in 2015. Rent expense for the years ended December 31, 2012 and 2011 was \$257,198 and \$237,327, respectively.

There are no rental commitments that have renewable options.

2)

- a. At January 1, 2013, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2013	\$281,070
2.	2014	\$281,070
3.	2015	\$187,380
4.	2016	\$
5.	2017	\$
6.	Total	\$

3) The Company is not involved in any sales leaseback transactions.

B. Lessor Leases

NONE

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

NONE

17. Sale, Transfers and Servicing of Financial Assets and Extinguishment of Liabilities

NONE

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Service Only (ASO) Plans

NONE

B. Administrative Service Contract (ASC) Plans

NONE

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

NONE

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

NONE

20. Fair Value Measurements

A. 1. NONE

2. NONE

3. NONE

- 4. The following are the levels of the hierarchy and a brief description of the type of valuation inputs that are used to establish each level:
 - o Pricing Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets that our pricing sources have the ability to access. Since the valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant amount or degree of judgment.
 - o Pricing Level 2 - Valuations based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets; or valuations

NOTES TO FINANCIAL STATEMENTS

based on models where the significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severities) or can be corroborated by observable market data.

- Pricing Level 3 – Valuations that are derived from techniques in which one or more of the significant inputs are unobservable, including broker quotes which are non binding

B. NONE

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 19,496,375	\$18,504,636	\$.....	\$ 19,496,375	\$.....	\$.....
Short-term investments	\$ 7,418,552	\$ 7,418,552	\$7,418,552	\$.....	\$.....	\$.....

21. Other Items

A. Extraordinary Items

NONE

B. Troubled Debt Restructuring: Debtors

NONE

C. Other Disclosures

NONE

D. Uncollectible Balances

The Company establishes and routinely monitors the allowance for uncollectible accounts. Management considers the allowance to be adequate.

E. Business Interruption Insurance Recoveries

NONE

F. State Transferable and Non-Transferable Tax Credits

NONE

G. Subprime-Mortgage-Related Risk Exposure

1. NONE

2. NONE

3. NONE

4. NONE

H. Retained Assets

NONE

22. Events Subsequent

Subsequent events have been considered through 2/28/2013 for the statutory annual statement filed on 3/1/2013.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

NOTES TO FINANCIAL STATEMENTS

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes () No (X)
If yes, give full details.
2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No(X)
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No(X)
 - a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.
 - b. What is the total amount of reinsurance credit taken, whether as an asset or as a reduction of liability for this agreement in this statement?
2. Does the reporting entity have any reinsurance agreement in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collect under the reinsured policies?
Yes () No(X)
If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making these estimates. None
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No(X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability taken for such new agreement or amendments?

B. Uncollectible Reinsurance

NONE

C. Commutation of Ceded Reinsurance

NONE

24. Respectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company estimates retrospective premium adjustments based on actual claims experience adjusted for estimates of claims unpaid.
- B. The Company records accrued retrospective premium as an adjustment to earned premiums.
- C. The amount of net premiums written by the Company at December 31, 2012 and 2011 that were subject to retrospective rating features was \$0 in both years.
- D. NONE

NOTES TO FINANCIAL STATEMENTS

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2011 were \$20,828,977 As of December 31, 2012, \$15,376,361 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior year are now \$301,547 as a result of re-estimation of unpaid losses and loss adjustment expenses. Therefore, there has been \$5,151,069 favorable prior year development since December 31, 2011. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. There are no retrospectively rated contracts subject to redetermination. However, the business to which it relates is subject to premium adjustments.

26. Intercompany Pooling Arrangements

NONE

27. Structured Settlements

NONE

28. Health Care Receivables

A. Pharmaceutical Rebates Receivables
NONE

B. Risk Sharing Receivables
NONE

29. Participating Policies

NONE

30. Premium Deficiency Reserves

NONE

31. Anticipated Salvage and Subrogation

NONE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

Michigan.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2009
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2009
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....09/30/2010
- 3.4

By what department or departments? The Office of Financial and Insurance Regulation.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ No ☒

4.12 renewals? Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ No ☒

4.22 renewals? Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 621 E. Pratt Street, Baltimore, MD 21202.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Christian Bi, 6310 Hillside Court, Suite 100, Columbia, MD 21046.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value \$.

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
- Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- Not Applicable.....
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.103 Total payable for securities lending reported on the liability page \$.....

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	\$.....
25.22	Subject to reverse repurchase agreements	\$.....
25.23	Subject to dollar repurchase agreements	\$.....
25.24	Subject to reverse dollar repurchase agreements	\$.....
25.25	Pledged as collateral	\$.....
25.26	Placed under option agreements	\$.....
25.27	Letter stock or securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....1,050,554
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$.....

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Citibank, N.A.....	3800 Citigroup Center, Building B02/08 Tampa, FL 336110-9122.....
.....
.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
25995.....	Citigroup, N.A.....	3800 Citigroup Center, Building B02/08, Tampa, FL 33610-9122.....
107423.....	Conning, Inc.....	One Financial Place, Hartford, CT 06103.....
.....
.....

GENERAL INTERROGATORIES

1 Central Registration Depository Number(s)	2 Name	3 Address

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?
- 29.2 If yes, complete the following schedule:
- Yes [] No [X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
29.2999 TOTAL		0

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	25,923,187	26,914,927	991,740
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	25,923,187	26,914,927	991,740

- 30.4 Describe the sources or methods utilized in determining the fair values:
A widely accepted thrid party vendor followed by a hierarchy using broker/dealer quotes, Bloomberg, yield book and analytic model and benchmark to index model.....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?
- 32.2 If no, list exceptions:
- Yes [] No [X]
- Yes [] No []
- Yes [X] No []

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

- 34.1 Amount of payments for legal expenses, if any? \$0
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only.

\$0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned

\$0

1.62 Total incurred claims

\$0

1.63 Number of covered lives

.....0

All years prior to most current three years:

1.64 Total premium earned

\$0

1.65 Total incurred claims

\$0

1.66 Number of covered lives

.....0

1.7 Group policies:

Most current three years:

1.71 Total premium earned

\$0

1.72 Total incurred claims

\$0

1.73 Number of covered lives

.....0

All years prior to most current three years:

1.74 Total premium earned

\$0

1.75 Total incurred claims

\$0

1.76 Number of covered lives

.....0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$173,059,035	\$	.....185,112,980
2.2	Premium Denominator	\$173,059,035	\$	.....185,112,980
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$20,125,384	\$	.....20,576,201
2.5	Reserve Denominator	\$20,125,384	\$	.....20,576,201
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [X] No []

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical

\$350,000

5.32 Medical Only

\$

5.33 Medicare Supplement

\$

5.34 Dental and Vision

\$

5.35 Other Limited Benefit Plan

\$

5.36 Other

\$

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The Plan has hold harmless terms in all of its contracts as well as insolvency coverage with Coventry Health and Life and rstricted investments for the benefit of members.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

.....2,999

8.2 Number of providers at end of reporting year

.....4,718

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

.....

9.22 Business with rate guarantees over 36 months

.....

27

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes ☒ No ☐

10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....1,675,303

10.22 Amount actually paid for year bonuses

\$.....1,675,303

10.23 Maximum amount payable withholds

\$.....

10.24 Amount actually paid for year withholds

\$.....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes ☐ No ☒

11.13 An Individual Practice Association (IPA), or,

Yes ☒ No ☐

11.14 A Mixed Model (combination of above) ?

Yes ☐ No ☒

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes ☒ No ☐

11.3 If yes, show the name of the state requiring such net worth.

Michigan.....

11.4 If yes, show the amount required.

\$.....10,440,361

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes ☐ No ☒

11.6 If the amount is calculated, show the calculation.

Risk Based Capital CAL

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Wayne County, Michigan.....
Oakland County, Michigan.....
Kalamazoo County, Michigan.....
St. Joseph County, Michigan.....
Cass County, Michigan.....
Macomb County, Michigan.....
Hillsdale, Michigan.....
.....

13.1 Do you act as a custodian for health savings accounts?

Yes ☐ No ☒

13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$.....

13.3 Do you act as an administrator for health savings accounts?

Yes ☐ No ☒

13.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$.....

FIVE - YEAR HISTORICAL DATA

	1 2012	2 2011	3 2010	4 2009	5 2008
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	46,712,097	48,986,862	45,377,735	43,898,690	38,594,019
2. Total liabilities (Page 3, Line 24)	22,458,652	23,101,612	20,788,856	20,907,630	17,772,287
3. Statutory surplus	10,440,361	10,708,884	11,192,506	11,656,808	10,960,124
4. Total capital and surplus (Page 3, Line 33)	24,253,445	25,885,250	24,588,879	22,991,060	20,821,732
Income Statement (Page 4)					
5. Total revenues (Line 8)	173,169,465	185,245,947	187,760,600	186,362,532	168,013,399
6. Total medical and hospital expenses (Line 18)	148,357,537	152,264,633	158,033,174	161,454,678	152,072,173
7. Claims adjustment expenses (Line 20)	1,555,822	2,152,357	2,252,284	2,356,701	2,110,068
8. Total administrative expenses (Line 21)	14,682,410	24,748,902	23,436,650	19,747,591	12,693,853
9. Net underwriting gain (loss) (Line 24)	8,573,696	6,080,055	4,038,492	2,803,562	1,137,305
10. Net investment gain (loss) (Line 27)	1,081,684	826,842	820,704	880,528	1,215,005
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	7,122,812	4,550,002	3,568,461	1,616,207	2,096,741
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	4,847,275	9,364,725	4,442,726	3,654,685	2,196,844
Risk-Based Capital Analysis					
14. Total adjusted capital.....	24,253,445	25,885,250	24,588,879	22,991,060	20,821,732
15. Authorized control level risk-based capital.....	5,220,181	5,354,442	5,596,253	5,828,377	5,480,062
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	42,831	46,350	50,923	53,912	54,707
17. Total members months (Column 6, Line 7)	535,706	581,933	629,212	648,845	659,957
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	85.7	82.3	84.2	85.5	85.6
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses	0.9	1.2	1.2	1.2	1.2
22. Total underwriting deductions (Line 23)	95.1	96.8	97.9	97.2	94.0
23. Total underwriting gain (loss) (Line 24)	5.0	3.3	2.2	1.5	0.6
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	15,427,908	15,356,007	16,127,618	13,931,416	14,104,210
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	20,576,201	19,158,925	17,651,961	17,054,590	17,336,238
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?.....Yes [] No []

If no, please explain

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

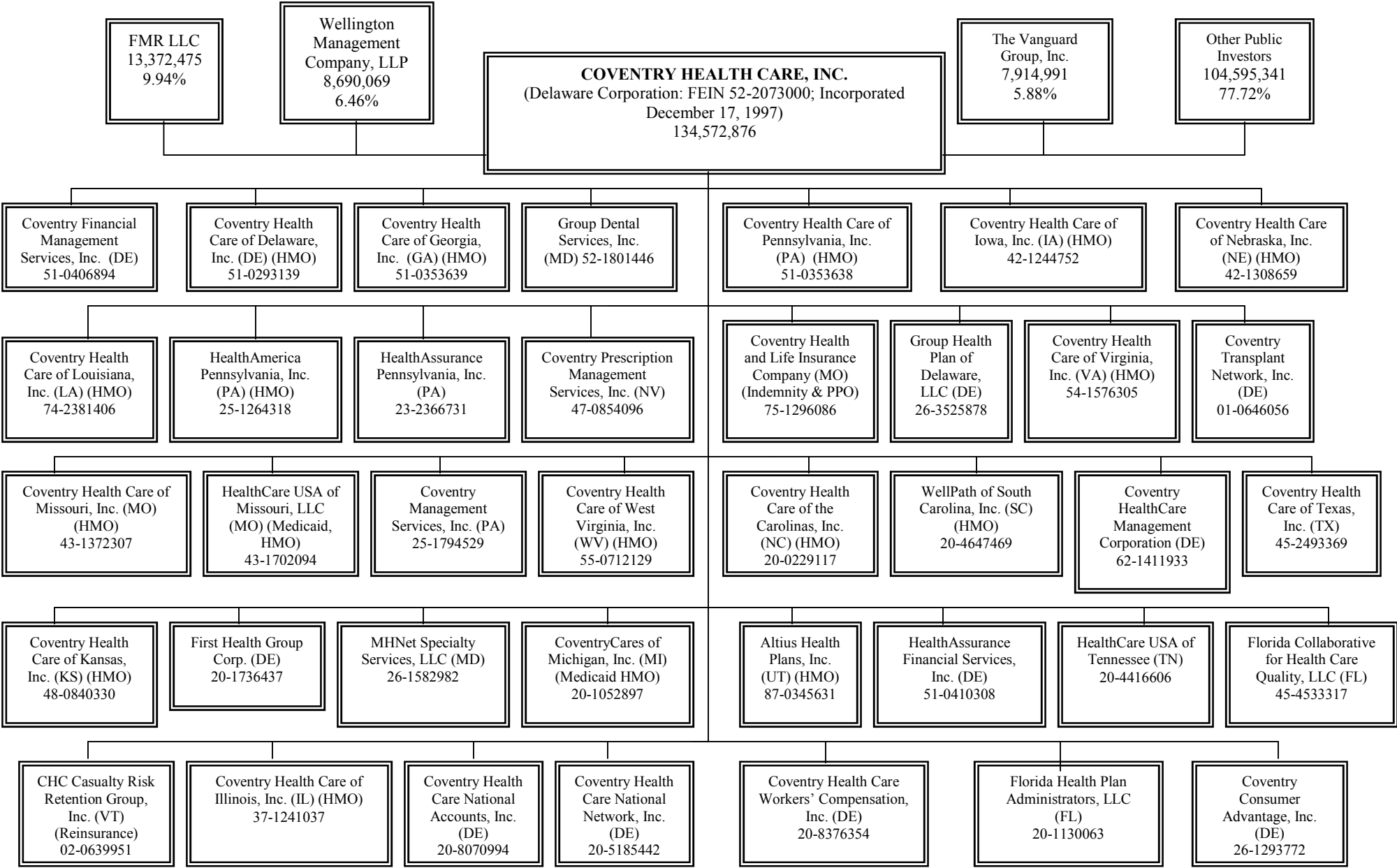
			1	Direct Business Only							
				2	3	4	5	6	7	8	9
State, Etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Consideration s	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N							0	0
2.	Alaska	AK	N							0	0
3.	Arizona	AZ	N							0	0
4.	Arkansas	AR	N							0	0
5.	California	CA	N							0	0
6.	Colorado	CO	N							0	0
7.	Connecticut	CT	N							0	0
8.	Delaware	DE	N							0	0
9.	District of Columbia	DC	N							0	0
10.	Florida	FL	N							0	0
11.	Georgia	GA	N							0	0
12.	Hawaii	HI	N							0	0
13.	Idaho	ID	N							0	0
14.	Illinois	IL	N							0	0
15.	Indiana	IN	N							0	0
16.	Iowa	IA	N							0	0
17.	Kansas	KS	N							0	0
18.	Kentucky	KY	N							0	0
19.	Louisiana	LA	N							0	0
20.	Maine	ME	N							0	0
21.	Maryland	MD	N							0	0
22.	Massachusetts	MA	N							0	0
23.	Michigan	MI	L	553,580		173,078,041				173,631,621	0
24.	Minnesota	MN	N							0	0
25.	Mississippi	MS	N							0	0
26.	Missouri	MO	N							0	0
27.	Montana	MT	N							0	0
28.	Nebraska	NE	N							0	0
29.	Nevada	NV	N							0	0
30.	New Hampshire	NH	N							0	0
31.	New Jersey	NJ	N							0	0
32.	New Mexico	NM	N							0	0
33.	New York	NY	N							0	0
34.	North Carolina	NC	N							0	0
35.	North Dakota	ND	N							0	0
36.	Ohio	OH	N							0	0
37.	Oklahoma	OK	N							0	0
38.	Oregon	OR	N							0	0
39.	Pennsylvania	PA	N							0	0
40.	Rhode Island	RI	N							0	0
41.	South Carolina	SC	N							0	0
42.	South Dakota	SD	N							0	0
43.	Tennessee	TN	N							0	0
44.	Texas	TX	N							0	0
45.	Utah	UT	N							0	0
46.	Vermont	VT	N							0	0
47.	Virginia	VA	N							0	0
48.	Washington	WA	N							0	0
49.	West Virginia	WV	N							0	0
50.	Wisconsin	WI	N							0	0
51.	Wyoming	WY	N							0	0
52.	American Samoa	AS	N							0	0
53.	Guam	GU	N							0	0
54.	Puerto Rico	PR	N							0	0
55.	U.S. Virgin Islands	VI	N							0	0
56.	Northern Mariana Islands	MP	N							0	0
57.	Canada	CAN	N							0	0
58.	Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal.....		XXX	553,580	0	173,078,041	0	0	0	173,631,621	0
60.	Reporting entity contributions for Employee Benefit Plans.....		XXX							0	
61.	Total (Direct Business)	(a)	1	553,580	0	173,078,041	0	0	0	173,631,621	0
DETAILS OF WRITE-INS											
58001.			XXX								
58002.			XXX								
58003.			XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page.....		XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0	0	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

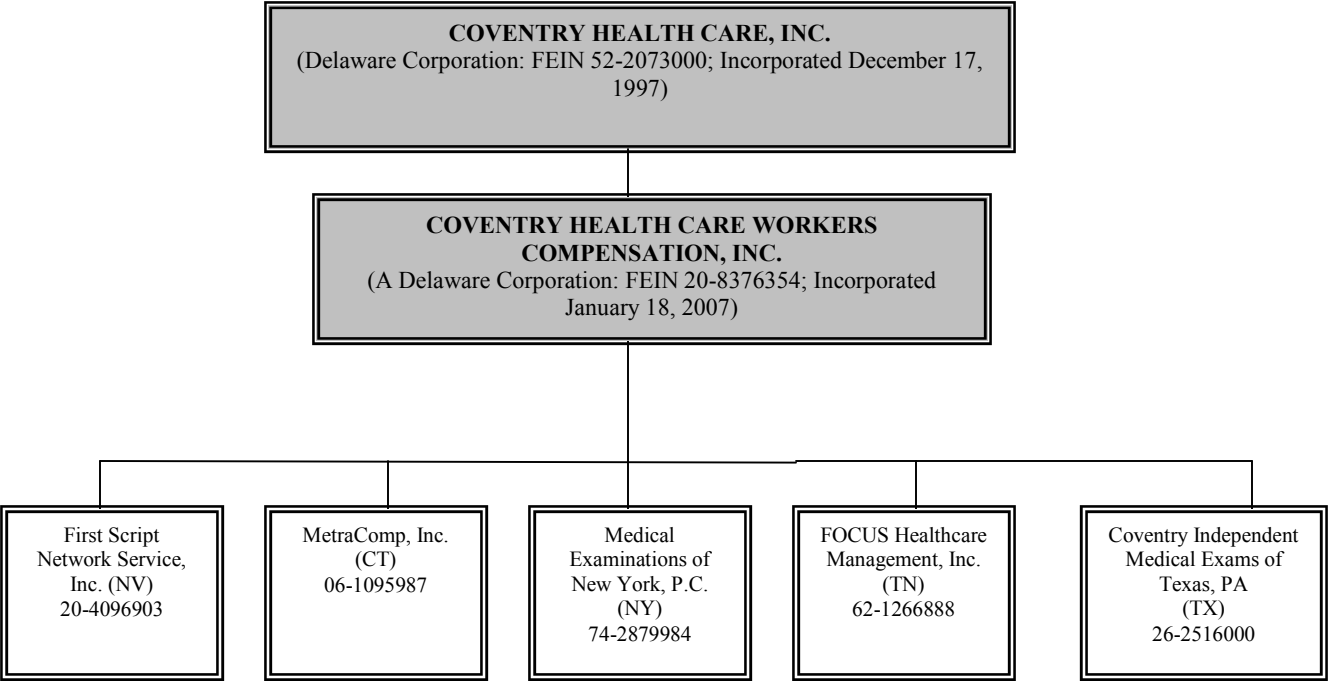
Explanation of basis of allocation by states, premiums by state, etc. CoventryCares of Michigan, Inc. is only licensed as a Medicaid HMO in the State of Michigan.

(a) Insert the number of L responses except for Canada and other Alien.

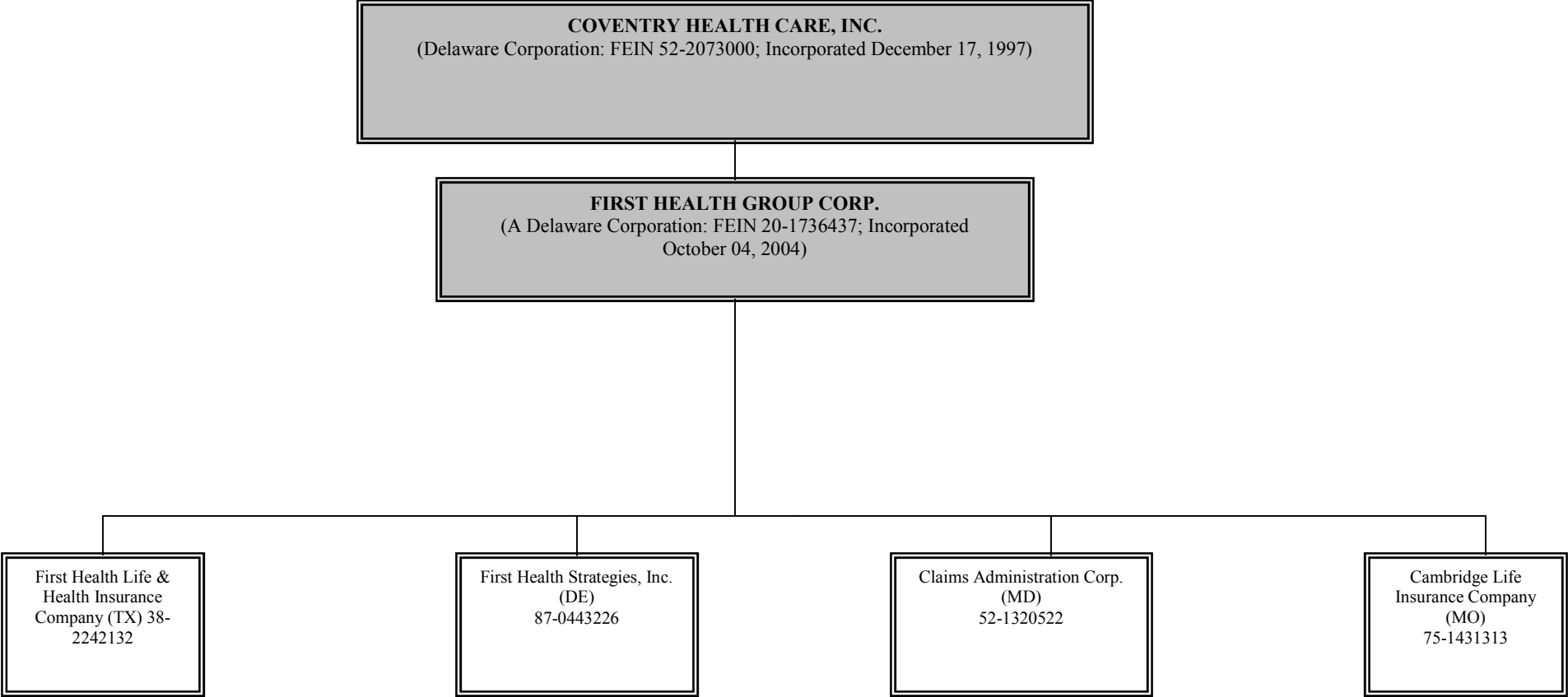
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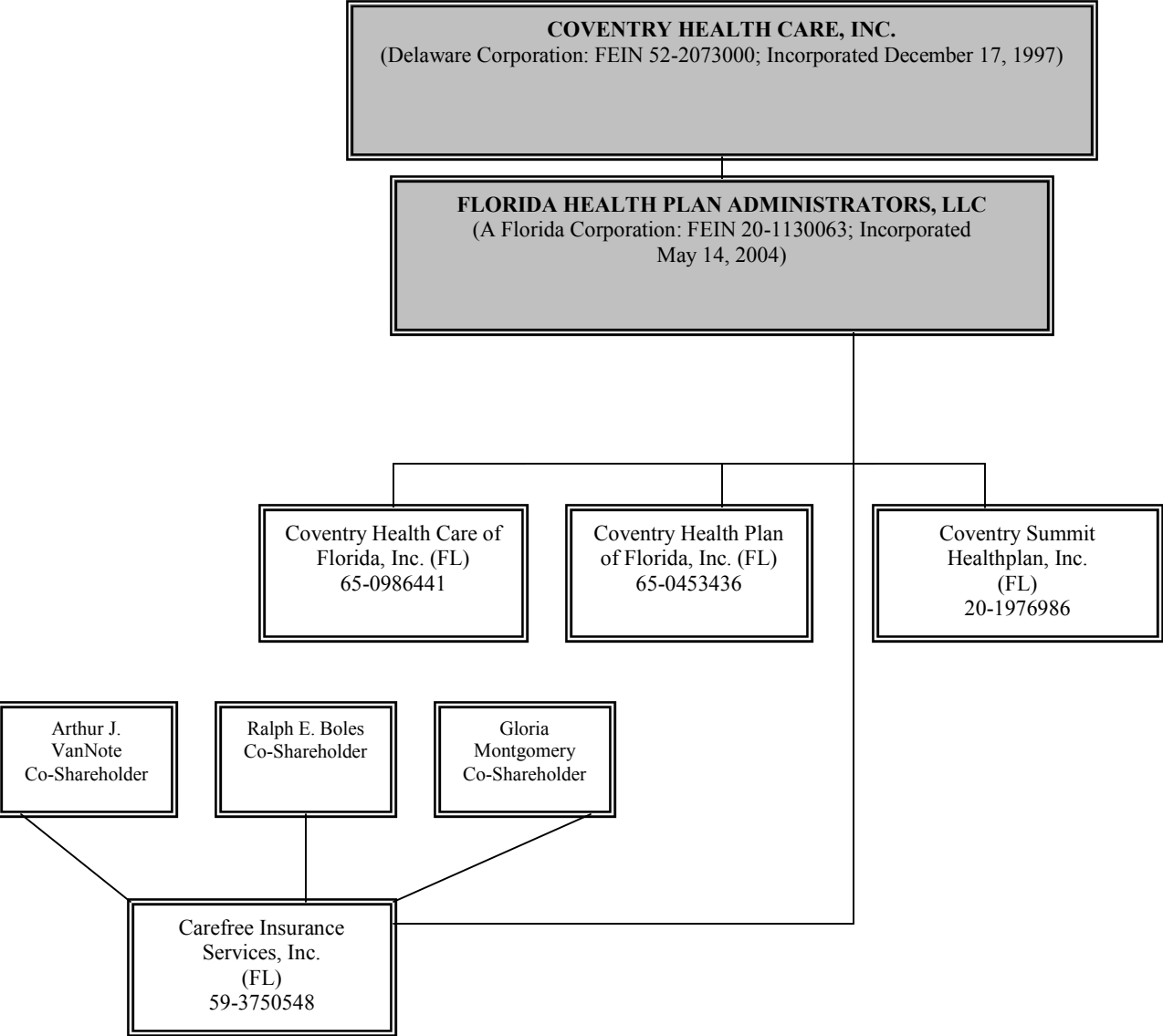
COVENTRY HEALTH CARE, INC. ORGANIZATIONAL CHART (AS OF DECEMBER 31, 2012)



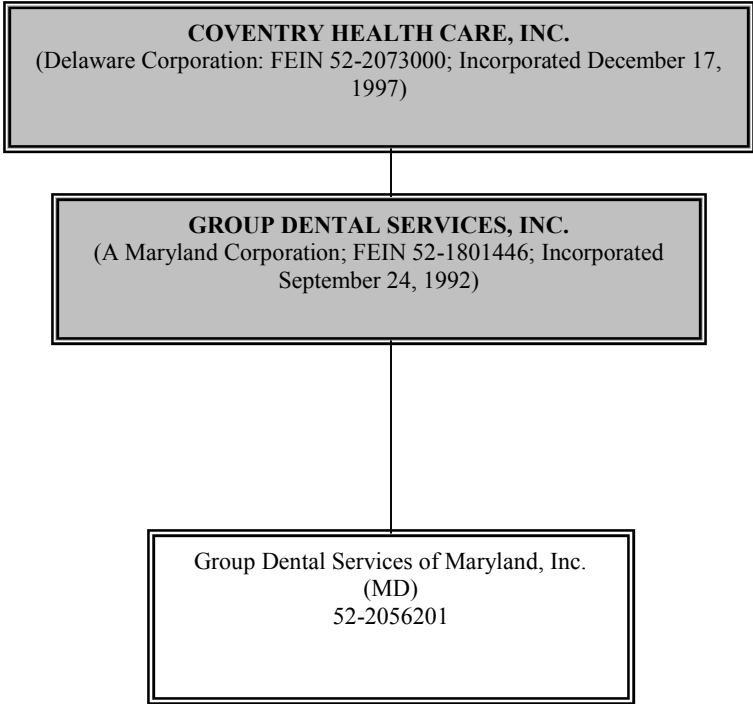
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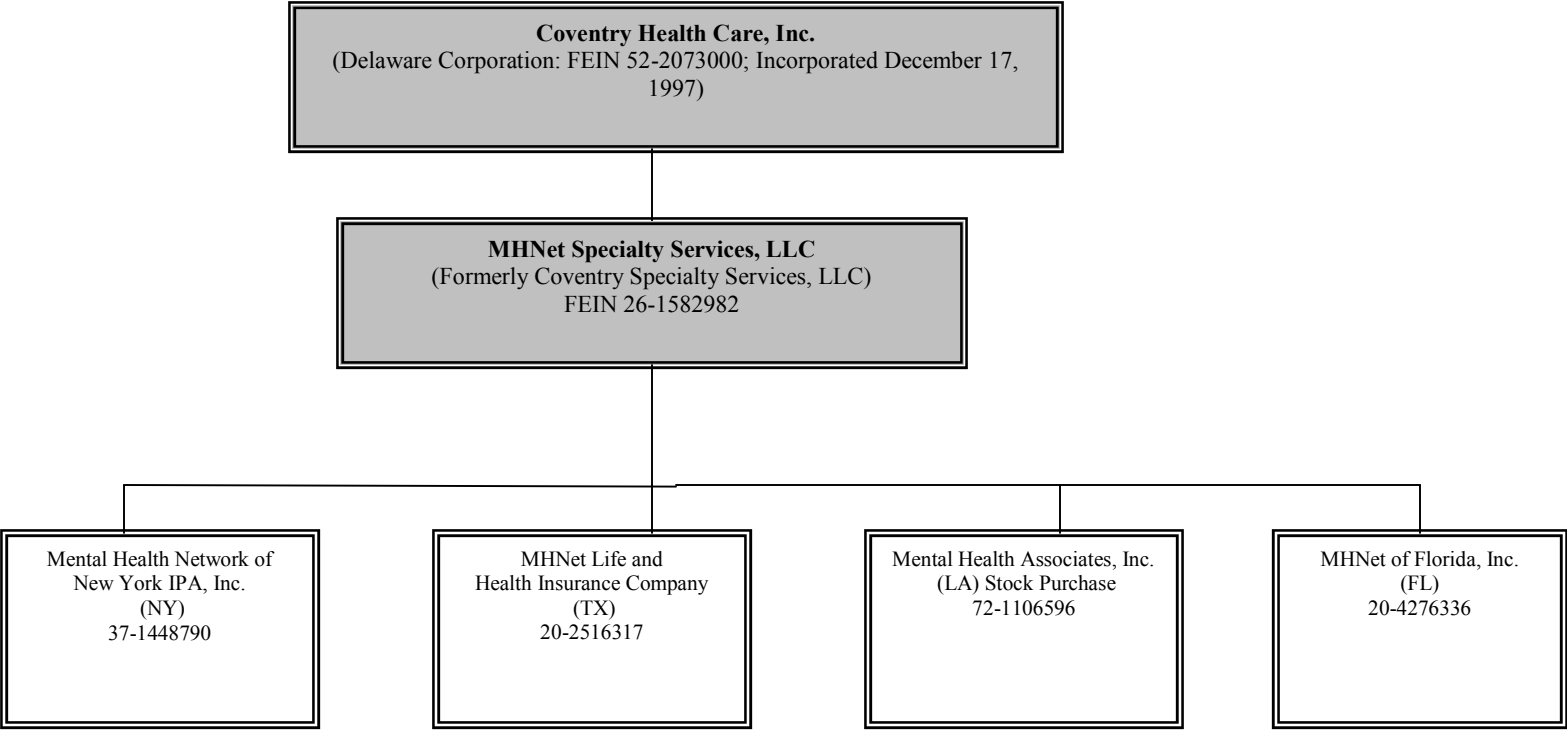
COVENTRY HEALTH CARE, INC. ORGANIZATIONAL CHART (AS OF DECEMBER 31, 2012)



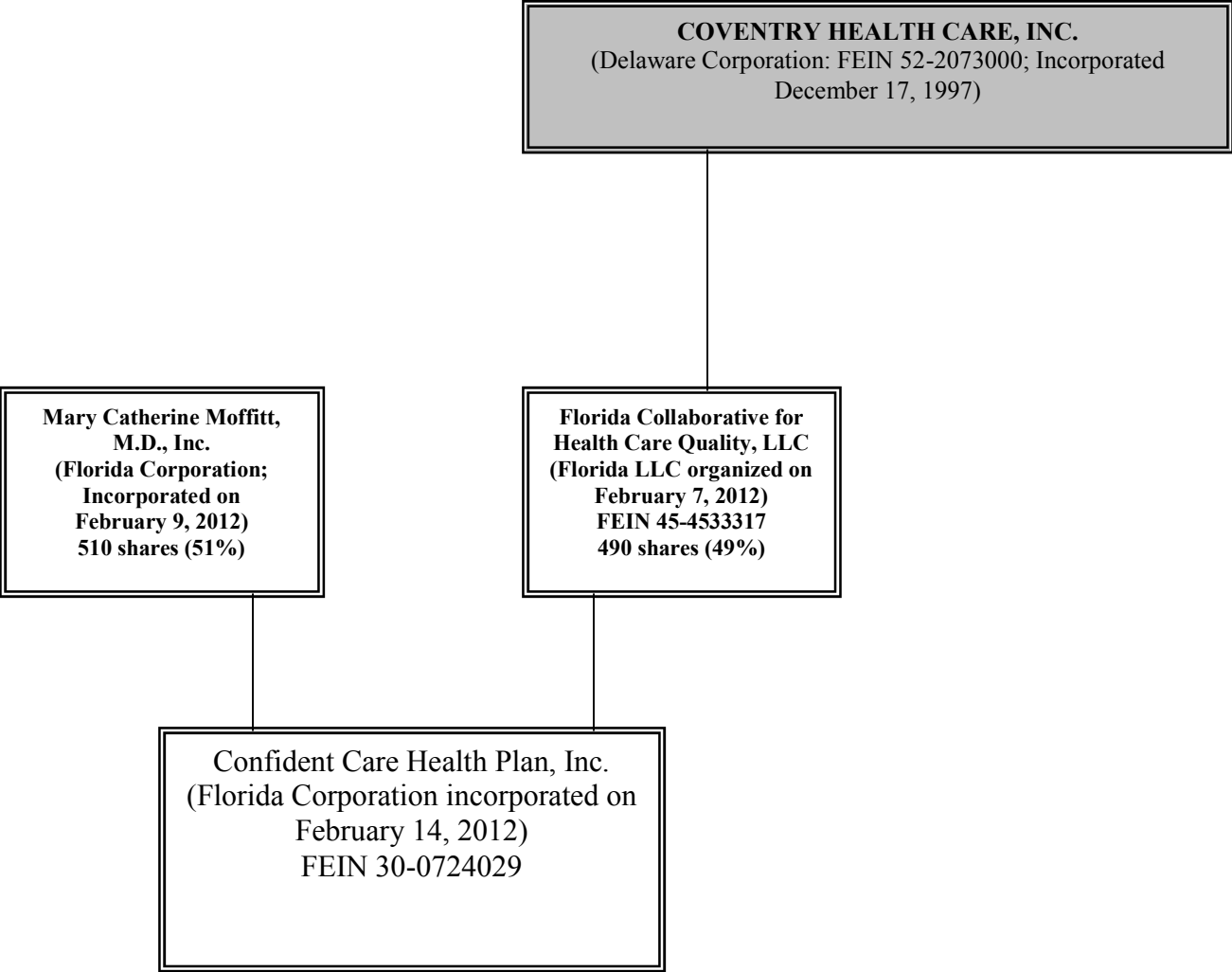
COVENTRY HEALTH CARE, INC. ORGANIZATIONAL CHART (AS OF DECEMBER 31, 2012)



COVENTRY HEALTH CARE, INC. ORGANIZATIONAL CHART (AS OF DECEMBER 31, 2012)



COVENTRY HEALTH CARE, INC. ORGANIZATIONAL CHART (AS OF DECEMBER 31, 2012)



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